

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:987

ANSWERED ON:23.11.2007

COMPANIES ACT,1956

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has cancelled the company status of many companies under section 560 of the Companies Act, 1956;
- (b) if so, the details thereof;
- (c) whether company status of some of the companies has not been cancelled so far despite the similar circumstance;
- (d) if so, the reasons therefor; and
- (e) the steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) Yes, Sir. The Government had launched two Simplified Exit Schemes (SES) in the years 2003 and 2005 to enable names of defunct companies being struck off expeditiously under Section 560 of the Companies Act, 1956. Pursuant to these Schemes, names of 29069 companies under SES 2003 and 22885 companies in SES 2005 respectively have been struck off. The Government also initiated a review of companies which had not filed their balance sheets and annual returns during the last three years, as of 2005, for action to strike off the names of such companies as were found to be defunct and fit to be struck off. Names of 45,470 companies have so far been struck off through such action.

(c) No, Sir. Orders of striking off the name of a company are passed by the Registrar only on a finding based on the statutory process and in exercise of powers provided under section 560 of the Companies Act, 1956.

(d) to (e) Do not arise.